

Kubeczko, Dave

From: Kubeczko, Dave
Sent: Thursday, October 04, 2012 1:00 PM
To: Kubeczko, Dave
Subject: FW: First Liberty Energy, Basin #1 Pad, NWSE Sec 24 T39N R5E, Rio Grande County, Form 2#400266057, Form 2A#400266092; COGCC's Response to LGD Comments
Attachments: Letter 1 - First Liberty Energy Inc, Basin#1 Pad Rio Grande County_COGCC Response Letter to Rio Grande County's LGD Comments_2#40066057_10042012_Final.pdf
Importance: High
Categories: Dark Teal Category

Scan No 1293008

LGD CORRESPONDENCE

2A#400266092

2#400266057

From: Kubeczko, Dave
Sent: Thursday, October 04, 2012 12:47 PM
To: 'rgclanduse@riograndecounty.org'
Subject: First Liberty Energy, Basin #1 Pad, NWSE Sec 24 T39N R5E, Rio Grande County, Form 2#400266057, Form 2A#400266092; COGCC's Response to LGD Comments
Importance: High

Rose,

COGCC appreciates Rio Grande County's participation in the LGD comment portion of the Form 2 and Form 2A permitting process. Attached is COGCC's Responses to Rio Grande County's (submitted on April 26, 2012) and the Public's Comments (submitted between April 5, 2012 and April 30, 2012) for the First Liberty Energy, Basin #1 Pad, Form 2#400266057 and Form 2A#400266092. These responses will become an attachment to the Form 2 and Form 2A. COGCC's review process is complete and the Form 2 and Form 2A permits will be approved soon. If you have any questions, please do not hesitate to call me at (970) 309-2514 (cell), or email; or Greg Deranleau at (303) 894-2100 x5153. Thanks.

Dave

David A. Kubeczko, PG
Oil and Gas Location Assessment Specialist

Colorado Oil & Gas Conservation Commission
Northwest Area Office
707 Wapiti Court, Suite 204
Rifle, CO 81650
Phone: (970) 625-2497x5
FAX: (970) 625-5682
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dave.kubeczko@state.co.us





October 4, 2012

Rio Grande County Board of County Commissioners,
Planning and Zoning Board, and
Land Use Planner - Rose Vanderpool

925 6th Street, Room 208

Del Norte, CO 81132

Phone: (719) 657-4003

Fax: (719) 657-2514

**Re: First Liberty Energy Inc., Basin #1 Pad, NESE Sec 9 T40N R5E, Rio Grande County, Form 2#400266057 and Form 2A#400266092;
COGCC's Response to Rio Grande County's LGD and Public Comments**

Dear Ms. Vanderpool,

The Colorado Oil and Gas Conservation Commission (COGCC) has received and reviewed comments pertaining to the Oil and Gas Location proposed by First Liberty Energy Inc. on March 28, 2012 in Rio Grande County, Colorado. First Liberty Energy has submitted one Form 2 (Basin #1, Document No. 400266057) and one Form 2A (Basin #1, Document No. 400266092).

By statutory mandate, the COGCC has adopted and enforces Rules regulating oil and gas development to protect public health, safety, and welfare, including the environment and wildlife resources. In 2009, amended Rules took effect and established the Form 2A, Oil and Gas Location Assessment process, which provides for a site-specific review of surface disturbance associated with a proposed Oil and Gas Location. In this review process, the COGCC utilizes onsite inspections, consultation and input from the Colorado Department of Public Health and Environment, Colorado Division of Wildlife, local governments, surface owners and interested public. Using this input, the COGCC reviews the Rules and the operator's proposed surface use plans and best management practices (BMPs) in consideration of all the geographic and environmental conditions observed and evaluated and may apply conditions of approval (COAs) to address situations that require additional safeguards beyond the extent of the Rules.

During the site specific Form 2A review process for the planned Basin #1 Pad, the COGCC reviewed environmental information, including proximity to surface water and groundwater, soil type, topography, climate, and wildlife; cultural information, including housing density, proximity to residences and other public use areas, and traffic patterns; and planned activities for the location, including type of equipment, duration of planned activities, and operational plans and practices. The COGCC has carefully considered the input received from the county government and from the public on this subject. The COGCC has worked with the operator and have developed 11 site-specific COAs to provide additional protection for public health, safety, and welfare. These are provided as **Attachment A - First Liberty Energy, Basin #1 Pad, Conditions of Approval; Form 2#400266057; Form 2A#400266092**. These COAs will require the operator to implement additional groundwater monitoring, emissions controls, reclamation, and fluids containment to protect water resources, nearby residents, and the environment generally.

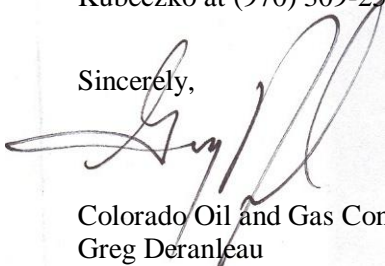
The COGCC has also required the operator of this location to notify us 48 hours prior to commencing construction and 48 hours prior to pit liner installation (if applicable). By Rule, the operator must provide notification 48 hours prior to beginning fracture stimulation operations, and that notification will be simultaneously made to the LGD. These notifications will allow for the COGCC to conduct coordinated inspections at critical times of operations and work with the operator to ensure that the prescribed protective measures are in place and effective. If warranted, the COGCC can work with the operator to further refine or enhance the measures taken.

The COGCC's Oil and Gas Location Assessment (OGLA) group, Permit group, and Engineering group reviews permits for compliance with our Rules, and then applies COAs where necessary to provide enhanced environmental or public health and safety protections. COAs have been used statewide especially in residential areas, sensitive wildlife areas, and environmentally sensitive areas. The mission of the COGCC is to be both protective of the environment and the public, while developing the state's natural resources in a responsible way. The COGCC will continue to rely on the Rules, including the application of site-specific COAs and BMPs, to protect public health, safety and welfare, including the environment and wildlife resources.

COGCC has reviewed the 19 comments submitted on the Application for Permit to Drill, Form 2#400266057 and the 2 comments submitted on the Oil and Gas Location Assessment, Form 2A#400266092. Each original comment on the Oil and Gas Location Assessment, Form 2A#400266057 and Application for Permit to Drill, Form 2#400266092 has been given its own identification number (1 to 19 for the Form 2 and 20 to 21 for the Form 2A). These 21 comments have been provided as **Attachment B - Renumbered Comments for Easy Reference; First Liberty Energy, Basin #1 Pad, Rio Grande County; Form 2#400266057; Form 2A#400266092** and are attached to this correspondence, along with a Comment/Response Table as **Attachment C - Table Summarizing COGCC's Response to Public and LGD Comments; First Liberty Energy, Basin #1 Pad; Rio Grande County; Form 2#400266057; Form 2A#400266092**. The Table lists general responses to the issues and concerns identified in each of the comments along with references to either COGCC Rules or specific COAs that have been placed on the Form 2A or Form 2 to address each issue/concern. Any and all comments that contained any reference to these particular issues/concerns are also listed on this table next to the appropriate issue/concern.

We thank you for your participation in the process and recognize the valuable input you and the public have provided. If you have any questions, please do not hesitate to call me at (303) 894-2100 x5153 or Dave Kubezko at (970) 309-2514 (cell), or email. Thanks.

Sincerely,



Colorado Oil and Gas Conservation Commission
Greg Deranleau
Oil and Gas Location Assessment Supervisor

cc. Matthew Lepore, Director, COGCC

Casing/Groundwater Protection COA:

Form 2#400266057

COA CGW1 - Deep Fresh Water Aquifer Concerns. Area residents, county officials and other water resources stakeholders have reasonably demonstrated and expressed concern for and the likelihood of exposure deep fresh water aquifers while drilling this prospect. Conditions of permit approval will reflect those demonstrated concerns. Deviations from the conditions of approval must have substantial proof to support them and must be approved by any one of the following COGCC personnel:

Regional Engineer (Mark Weems)
Supervising Engineer (David Andrews)
Engineering Manager (Stuart Ellsworth).

Highlights/Components to Engineering Conditions of Permit Approval (COA's)

1. Notices
2. Surface casing set @ 1200' and cement to surface. Deepest fresh water well within 1 mi radius=884'
3. Report surface casing cement pumping pressure prior to bumping the plug, cement volume, density, & yield
4. Formation Integrity test 50' below surface casing shoe
5. Bottom hole pore pressure design condition= 0.520 psi/ft
6. Casing change scenarios
7. Casing cementing scenarios
8. Cement bond or cement evaluation logs
9. Temperature survey
10. Resistivity logs
11. Porosity logs
12. Drilling mud reserve volumes on hand
13. Empty tank/pit reserve capacity for well mud discharges
14. Dry hole plug and abandon design and procedure

ENGINEERING CONDITIONS OF PERMIT APPROVAL (COA's)

COGCC CONTACTS:

Engineer – Mark Weems
970-259-4587 off
970-749-0624 cell
mark.weems@state.co.us

Inspector – Steve Labowskie
970-259-0945 off
970-946-5073
steve.labowskie@state.co.us

Provide contacts with seventy-two (72) hour notice of spud & include:

Operator Name
Well Name and Number
API #
Legal Location
Spud Date
Name of rig supervisor
Phone number of rig supervisor
Email address of rig supervisor

Also and in addition to, provide the COGCC-Denver a 48 hour notice of spud via form 42

Provide COGCC contacts with:

**Attachment A - Conditions of Approval; First Liberty Energy, Basin #1 Pad, Rio Grande County;
Form 2#400266057; Form 2A#400266092**

Daily drilling reports & Pason/Drilling parameters or equivalent data At least three (3) hours notice of BOP test and casing seating depths

Casing Design & Implementation - Surface Casing

The surface casing being set at 1200' and cemented to surface is deemed adequate. The deepest water well within a mile radius is 884 feet deep.

While cementing surface casing, report surface pumping pressures near the conclusion of the job or just prior to bumping the plug at the float collar. Report cement volume (cu ft), cement density (ppg) and cement yield (cu ft/sk). If top cementing is required, report cement data on daily drill report. In all cases submit cementing contractor's job summary with form 5- Drilling and Completion Report.

Perform formation integrity test (FIT) to 10 ppg mud equivalent after drilling 50' of formation below surface casing shoe. Assumed bottom hole pore pressure is 0.52 psi/ft or 4680 psi.

Example:

Surface casing set @ 1200'; well drilled out 50' from surface casing shoe; mud weight = 8.33 ppg or .433 psig/ft; surface test pressure = $0.052(10.0 \text{ ppg} - 8.33 \text{ ppg})(1250') = 109 \text{ psi}$

Discuss calculations & test with COGCC engineer prior to test. Results must be noted on daily reports. Pressure losses exceeding 15 percent after 15 minutes will require remedial wellbore sealing and retest or running and cementing intermediate casing to surface (1st consult w/ COGCC SW Regional Engineer).

Subsequent Casing Strings - Tentative Intermediate Casing

The need may arise to run intermediate casing; so, operator must have the capability of running alternate casing and on location within 24 hours. Provide COGCC contacts with the name and phone numbers of the casing supplier having at least 5000' of 7" O.D. casing and 4200 feet of 4 1/2" O. D. casing on hand.

Criteria for to run intermediate casing shall include but not be limited to the following:

A failed formation integrity test after drilling out 50 feet from the surface casing shoe

A cement pill (plug) or equivalent is used to seal a mud thief zone at depths between 4500'- 1200'

The minimal clearance allowed between the outside of the widest part of the casing (collar) and the inside of the next casing (inside drift) or wellbore & hole must be no less than 0.42 inches when measured on any radius from the center of the casing.

Any intermediate casing run and in all cases where intermediate casing is run, the intermediate casing will extend to surface and be cemented to surface. While cementing intermediate casing, report surface pumping pressures near the conclusion of the job or just prior to bumping the plug at the float collar. Report cement volume (cu ft), density (ppg) and yield (cu ft/sk) and bbls of cement circulated to pit. Submit a copy of the cementing contractor's job summary. Intermediate casing must have a temperature survey run within 8- 24 hours of cementing even if cement circulates to surface. A cement bond log (CBL) may be substituted in place of a temperature log. Submit two copies to COGCC-Denver (see rule 308A).

If intermediate casing is run, then the 4 1/2" casing may be a liner (casing not run to surface) and must overlap the intermediate casing shoe by a minimum of 200 feet. The liner must be cemented from top to bottom.

A cement bond log is required on both the 4 1/2" liner and 7" intermediate casing and must be run from the 4 1/2" liner casing shoe, into the 7" intermediate casing and onto surface. Submit two (2) copies to the COGCC-Denver (see rule 308A).

In the event the operator chooses to run the production casing to surface in addition to intermediate casing, then the operator must run a temperature survey on the intermediate casing within 8-24 hours of cementing the intermediate casing to surface. A cement bond log may be substituted. Cement behind the production casing must overlap the intermediate casing shoe by a minimum of 200 feet. A cement bond log (CBL) is required to be run on the production casing.

Production Casing and No Intermediate Casing

**Attachment A - Conditions of Approval; First Liberty Energy, Basin #1 Pad, Rio Grande County;
Form 2#400266057; Form 2A#400266092**

Note: The COGCC revised the submitted APD and casing design to where the production casing will be extended to surface and cemented to surface. A cementing DV stage tool or external packers are recommended on the production casing cement job if no intermediate casing is installed. If the cement top on the production casing does not circulate to surface and remain at surface, then remedial cement work will be assessed and decided upon. Report the cement pumping pressures at the conclusion of the job or just prior to bumping the plug on the float collar. Report cement volume (cu ft), density (ppg) and yield (cu ft/sk) and the bbls of cement to pit. Submit one (1) copy of the cementing contractor's job summary. Submit two (2) copies of the cement bond log (CBL) (see rule 308A).

Additional Conditions of Permit Approval - Logging

Run temp survey 8-24 hours after cementing intermediate casing. Temperature survey is mandatory on intermediate casing and may be substituted with a cement evaluation log. Submit two (2) copies to COGCC-Denver (see rule 308A).

Run resistivity logs from MTD to base of intermediate casing; otherwise, to the base of the surface casing if no intermediate casing is run. Submit two (2) copies to COGCC-Denver (see rule 308A).

Run porosity logs from MTD to surface. Submit two (2) copies to COGCC-Denver (see rule 308A).

Additional Conditions of Permit Approval - Mud Program

Mud losses exceeding 20 bbls in any one incident must be noted on daily reports

In addition to mud used during drilling operator to have a minimal additional 600 bbls of mixed mud reserve in tanks and on location ready to go in a moment's notice.

A minimal of 600 bbls of water reserve in tanks and on location w/ dry mud materials and additives on hand ready for mixing up 600 bbls of additional mud reserve

If the well is drilled without an earthen reserve pit, then have enough empty tanks on site to hold 600 bbls of mud.

Have dirt contractor located and available to dig a pit if well kick is likely to exceed 600 bbls of tank empty tank capacity on location.

Additional Conditions of Permit Approval - CEMENT ASSESSMENT

Scenario 1 - Casing and cement as per approved APD (surface casing + production casing run & cemented to surface)

Run radial CBL or cement evaluation tool capable of identifying cement channels from MTD to surface on the production casing.

Scenario 2 - 7" intermediate casing and 4 ½" production casing (liner); the 4 ½" liner must overlap the intermediate casing a minimum of 200 feet

Run radial CBL or cement evaluation tool on both the 7" casing and the 4 ½" liner capable of identifying cement channels from MTD to surface

Scenario 3 - Intermediate & production casing to surf

Run temp survey on intermediate casing and radial CBL on production casing

For all and any other Scenarios

Report Braden head pressure 24 hrs after cementing next casing string and again prior to perforating pay zone

Submit copy of all logs run to COGCC Denver office

Submit copy of cementing contractor's job log to COGCC Denver office for all casings

Dry Hole - Plug and Abandonment Procedure

100' cement plug above T/Entrada & tag

100' cement plug above T/Dakota & tag

100' cement plug above T/Mancos & tag

100' cmt plug above each zone with hydrocarbon shows & tag

100' cmt plug above any water flows & tag

100' cmt plug 50' below surf casing shoe & tag (perforate & squeeze if intermed or prod csg is present)

100' cmt plug 550'-450' tag unnecessary if csg press tests ok

50' surf cmt plug

Cut casing off 4' below grade and install PA marker (above or below ground-check with landowner)

PA maker to include, operator name, well name & number, legal location, API #, date plugged

Site Specific COAs:

Form 2A#400266092

COA SS1 - Operator must ensure secondary containment for any volume of fluids contained at well site during drilling and completion operations; including, but not limited to, construction of a berm or diversion dike, diversion/collection trenches within and/or outside of berms/dikes, site grading, or other comparable measures (i.e., best management practices (BMPs) associated with stormwater management) sufficiently protective of nearby surface water. Any berm constructed at the well pad location will be stabilized, inspected at regular intervals (at least every 14 days), and maintained in good condition.

COA SS2 - Operator must implement best management practices to contain any unintentional release of fluids, including any fluids conveyed via trucks, temporary surface pipelines, or buried permanent pipelines.

COA SS3 - Location may be in a sensitive area due to shallow groundwater; therefore, any pit constructed to hold fluids must be lined, or a closed loop drilling system (which operator has indicated on the Form 2A) must be implemented. Any pit constructed must be permitted with a Form 15, Earthen Pit Report/Permit, before construction.

COA SS4 - Groundwater Testing: Prior to drilling, operator shall the following four (4) water wells located in the vicinity of the proposed oil and gas location:

- 1) Permit No. 196293 – Pettigrew Dennis & Michele; domestic/stock; TD - 884' bgs; SWL - 17' bgs; FM - bedrock; 2807' S-SE (downgradient);
- 2) Permit No. 227792 – Hanna Robert S; domestic/stock; TD - 444' bgs; SWL - 380' bgs; FM - bedrock; 2162' S (downgradient);
- 3) Permit No. 271165 – Belden Robert E; domestic; TD - 204' bgs; SWL - 45' bgs; FM - bedrock; 2740' SW (downgradient); and
- 4) Permit No. 248025 – Martz John L, Larry R, & Gregory; domestic/stock; TD – 160' bgs; SWL - 60' bgs; FM - Alluvial; 1948' N-NW (upgradient).

The sample locations shall be surveyed in accordance with Rule 215. Sampling shall be done in accordance with the Colorado Oil and Gas Association (COGA) Voluntary Baseline Groundwater Quality Sampling Program (updated November 15, 2011).

COA SS5 - Copies of all test results, field parameters and field observations collected from nearby surface sampling water locations and sampled water wells shall be provided to the COGCC and the water well owner within three (3) months of collecting the samples (provided well-owner approval of disclosure is obtained) or Form 2A approval. All analytical data and surveyed well locations shall also be submitted to the COGCC in an electronic data deliverable format. The data shall be sent via email to the COGCC OGLA Specialist for Western Colorado (Dave Kubeczko; email dave.kubeczko@state.co.us); to the COGCC OGLA Specialist for Southern Colorado (Arthur Koepsell; email arthur.koepsell@state.co.us), with a copy provided to the COGCC Environmental Protection Specialist for Southwest Colorado (Karen Spray; email karen.spray@state.co.us).

COA SS6 - If the well is to be hydraulically stimulated; flowback and stimulation fluids must be sent to tanks, separators, or other containment/filtering equipment before the fluids can be placed into any pipeline or into tanker trucks for offsite disposal. The flowback and stimulation fluid tanks, separators, or other containment/filtering equipment must be placed on the well pad in an area with additional downgradient perimeter berming. The area where flowback fluids will be stored/reused must be constructed to be sufficiently impervious to contain any spilled or released material. A flowback pit may be used if measures are implemented to ensure that sand in high velocity flowback fluids does not result in pit liner failure.

**Attachment A - Conditions of Approval; First Liberty Energy, Basin #1 Pad, Rio Grande County;
Form 2#400266057; Form 2A#400266092**

COA SS7 - The moisture content of any drill cuttings in a cuttings trench or pile shall be as low as practicable to prevent accumulation of liquids greater than de minimis amounts. At the time of closure, if drill cuttings are to remain/disposed of onsite, they must also meet the applicable standards of Table 910-1.

COA SS8 - Berms or other containment devices shall be constructed to be sufficiently impervious to contain any spilled or released material around crude oil, condensate, and/or produced water storage tanks, including temporary facilities. The berms will consist of corrugated steel and an impervious liner will be installed to the top of the steel berm and beneath the tanks. In lieu of steel wall with liner, operator can propose alternative containment measures.

COA SS9 - Operator will take aggressive action to establish vegetation on cut and fill slopes to prevent storm water erosion and the generation of fugitive dust. Visual mitigation shall also include the use of low profile tanks (however, based on production considerations, operator may request the use of larger tanks to reduce truck site visits).

COA SS10 - If pits are constructed and used at this location, interim reclamation will commence immediately upon conclusion of completion operations and pit closures; otherwise reclamation will begin within 6 months of completion operations per Rule 1003.

COMMENT NO. 1

Public (04/30/2012; 10:35:10 AM)

Form 2#400266057

San Luis Valley Ecosystem Council informed COGCC of difficulty using website to post the following comment on 4/27/12. COGCC agreed to post the following comment on 4/30/12 due to technical difficulties encountered.

Colorado Oil and Gas Conservation Commission
1120 Lincoln Street, Suite 801
Denver, Colorado 80203

RE: FIRST LIBERTY ENERGY INC10406
400266057

To Mark Weems, Bill Yokely, Thom Kerr, Karen Spray, Jane Stanczyk and Steve Freese;

We fully support Rio Grande County Commissioners and LGD Rose Vanderpool request to “delay any action or approval” for First Liberty 400266057 and Hughes 400266092 and any future applications in Rio Grande County until a proposed in-depth study of the Conejos formation geology and hydrology can be conducted. The proposed “San Luis Valley (SLV) Aquifer Study/Rio Grande County Investigation” will provide “deliverables to Rio Grande County” so that scientific data can be used to “make informed decisions concerning potential oil and gas development.”

Reclamation and Water Quality Testing

The First Liberty proposed location of the Basin 1 well is approximately 620 feet from the abandoned Old Jynnifer well. We understand that the site will now have the attention of a reclamation team arriving May 1st, 2012. We understand that water quality testing will be conducted before the well is capped and we request the following recommendations:

In addition to BTEX testing, not just the Jynnifer well but nearby homes, springs and creeks within a 3-mile area, also test for Total Petroleum Hydrocarbons (TPH) and perhaps dissolved methane. We strongly recommend testing for major ions, especially sodium and chloride, and also to do TDS, pH, conductivity, and perhaps turbidity. Testing for minor and trace elements would also be beneficial since the site has been abandoned for over 20 years. Soil samples will need to be conducted around the unlined pit since it was left to dissipate into the atmosphere and absorbed into the ground. Tanks and the surrounding area need to be included in the soil testing. We do not know at this time if the groundwater has already been contaminated. The abandoned Jynnifer well needs an MIT (Mechanical Integrity Test), Braiden Head Pressure Test, including a Formation Integrity Test to determine if the cement bond is still holding. This abandoned well may also serve a future purpose for water study analysis regarding flow and direction at a 6,000 ft depth. SLVEC supports a Phase 1 and 2 water study analysis before any oil and gas permits are approved.

Significant Recharge Area

In 1998, Colorado House Bill 98-1011 was passed requesting that, due to insufficient knowledge, a confined aquifer study be conducted in the San Luis Valley: “Concerning the replacement of depletions from new withdrawals of groundwater division 3 that will affect the rate or direction of movement of groundwater in the confined aquifer, and, in connection therewith, authorizing the State Engineer to promulgate rules that optimize the use of the groundwater and provide alternative methods to prevent injury”.

In section (3) (a), the Water and Irrigation Act states that:

“The hydrologic system in water division 3 and, in particular, the hydrology and geology of the shallow aquifer and confined aquifer systems and their relationship to surface streams in water division 3 are unique and are among the most complex in the state....there is currently insufficient comprehensive data and knowledge of the relationship between the surface streams and the confined aquifer system to permit a full understanding of the effect of groundwater withdrawals, affecting the confined aquifer upon the natural stream and aquifer systems in water division 3....(b)1..[rules promulgated by the State Engineer]shall be based upon specific study of the confined aquifer system and shall be promulgated prior to July 1, 2001...the State Engineer and the Colorado Water Conservation Board shall proceed with diligence to complete needed studies”.

This act is important for two reasons:

- 1) It underscores the complex and poorly understood nature of the regions hydrogeology, even of the relatively shallow unconfined and confined aquifers and;
- 2) It addresses the need for further studies in order to better understand and inform water-related policy.

Attachment B - Renumbered Comments for Easy Reference; First Liberty Energy, Basin #1 Pad, Rio Grande County; Form 2#400266057; Form 2A#400266092

Casing

Allen Davey, an Engineer with Davis Engineering located in Alamosa Colorado, pointed out at a public forum held in Rio Grande County on January 26, 2011, (attended by COGCC staff) that the Hughes application along San Francisco Creek is located in the Conejos Formation. The First Liberty application is located nearby. He talked about the unique hydrology of the San Luis Valley and its multiple aquifers. Mr. Davey suggested that cement casing be required to 3,000-4,000 feet or more." (Please see US Fish and Wildlife Service 43 terms and conditions for the Baca National Wildlife Refuge, Lexam Explorations, complexity of aquifer and casing is explained there. Bottom of Pg. 5)

http://www.fws.gov/alamosa/baca/Baca_EA_Final_03.31.11_Dec%20Docs.pdf

It should also be noted that because this area may have geothermal water and corrosive minerals at this depth that a specific formula of cement may need to be used to ensure the integrity of the casing.

Thanks for your time and consideration in this matter.

Sincerely,

Christine Canaly, Director.

COMMENT NO. 2

Public (04/27/2012; 08:52:03 PM)

Form 2#400266057

I support the decision made by Rio Grande County Commissioners' request to delay approval of the First Liberty Application until an indepth study of the geology and hydrology in the county can be conducted. Additionally, nearby homes and water sources should be tested for any contamination from the abandoned site.

COMMENT NO. 3

Public (04/27/2012; 04:07:56 PM)

Form 2#400266057

To Mark Weems, Bill Yokely, Thom Kerr, Karen Spray, Jane Stanczyk and Steve Freese;

We fully support Rio Grande County Commissioners and LGD Rose Vanderpool request to “delay any action or approval” for First Liberty 400266057 and Hughes 400266092 and any future applications in Rio Grande County until a proposed in-depth study of the Conejos formation geology and hydrology can be conducted. The proposed “San Luis Valley (SLV) Aquifer Study/Rio Grande County Investigation” will provide “deliverables to Rio Grande County” so that scientific data can be used to “make informed decisions concerning potential oil and gas development.”

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Attachment B - Renumbered Comments for Easy Reference; First Liberty Energy, Basin #1 Pad, Rio Grande County; Form 2#400266057; Form 2A#400266092

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http://www.fws.gov/alamosa/baca/Baca_EA_Final_03.31.11_Dec%20Docs.pdf

It should also be noted that because this area may have geothermal water and corrosive minerals at this depth that a specific formula of cement may need to be used to ensure the integrity of the casing.

Thanks for your time and consideration in this matter.

Sincerely,

Christine Canaly, Director.

COMMENT NO. 4

Public (04/27/2012; 03:11:18 PM)

Form 2#400266057

We would like to comment on the proposal to permit this drilling.

Our main concern is water; the possible contamination of ground water and the use of existing water in a drought stricken area which is dependent upon water for agriculture! It is ludicrous to think that we would use a valuable resource to deplete and pollute that same resource.

The San Luis Valley is one of the last places in the State of Colorado to enjoy clean air. That very thing is what makes this a viable place for solar energy to shine. Fouling the skies with the attendant diesel exhaust from drilling, truck exhaust, dust from excessive heavy truck traffic on dirt roads, evaporation of fracking fluids and venting of gasses from a well - just doesn't make any sense. Clean skies are our future. Don't foul it up.

If the existing/abandoned Jynnifer well is any example - we don't need more! Please find a way to clean up the existing mess and refrain from creating another.

Sincerely,

Randi Terry Young
PO Box
South Fork, CO 81154.

COMMENT NO. 5

Public (04/26/2012; 01:29:50 PM)

Form 2#400266057

As neighbors of the proposed drilling site, we oppose granting of the application on the following grounds:

- Grave concern about the quality and quatity of the water in our well.
 - Fear of negative influence on the property values in the area.
 - Past performance at the site, i.e. lack of clean up, etc., does not preclude confidence in any drilling efforts performed in the future, nor adherence to legal requirements.
 - Industrial traffic on the surrounding gravel roads will add to air pollution and create increaased maintenance by the County (therefore increasing our taxes).
 - As animal lovers who enjoy seeing the pronghorn and other wildlife come through our property, any drilling will cause them to seek other grazing land.
-

Attachment B - Renumbered Comments for Easy Reference; First Liberty Energy, Basin #1 Pad, Rio Grande County; Form 2#400266057; Form 2A#400266092

COMMENT NO. 6

LGD (04/26/2012; 01:03:56 PM)

Form 2#400266057

To: COGCC Mike King and staff

From: Rio Grande County Board of County Commissioners/LGD Rose Vanderpool

Rio Grande County hereby requests that COGCC delay any action or approval for the above referenced application. Rio Grande County is in the process of conducting an in depth study of the geology and hydrology of the county, we have named San Luis Valley (SLV) Aquifer Study/Rio Grande County Investigation. The scope of work in the study will hopefully provide deliverables to help Rio Grande County use scientific data to make informed decisions concerning potential oil and gas development in our county. However, following are other concerns we have in reference to the Application Form 2/2A as presented:

The proposed location of the Basin 1 Well is approximately 620 from the Jynniifer Well, it is disturbing that the COGCC has not reclaimed this site in a timely manner, which has left Rio Grande County perplexed as to the integrity of the COGCC to follow through with their own regulations and protect the citizens of Rio Grande County. It has only been in the last few days that COGCC has indicated that the site will be reclaimed. The Jynniifer Well needs to be reclaimed by de-mobilizing the tanks and capping/cementing the hole. However, we also urge that that a complete Mechanical Integrity Test including pressure testing; BTX testing, and a fluid test also be completed before the well is capped and cemented. For your information, there has been recent activity of some sort at this site, and it is very evident that seepage of an unknown substance throughout the years (15-20) has been ongoing and is a grave concern. It might be wise to also complete a Phase 1, at a minimum, and possibly a Phase II Environmental Analysis of the area.

Page 4of4 - BMP- First Liberty states that closed loop system will be used when/if available. Per the Rio Grande County Oil Gas Regulations Addendum; Article XII. (pg 27); (8.8.6.1.) Only closed loop (pitless) drilling systems shall be permitted by Rio Grande County. Rio Grande County urges that COGCC requires closed loop systems for all Oil and Gas Operators (throughout Colorado) to further protect the SLV aquifers and not leave it up to the company/operators to tell us what they will do if available. It is not up to them. IF these Oil and Gas Companies want to operate in our county then they will follow all regulations from the beginning to the end. Rio Grande also urges the COGCC to require, from the start, baseline water quality testing for all water sources. The Oil and Gas Operation shall not cause degradation in the quality or quantity of surface waters from the addition of non-point source pollution. (Article XII, Addendum (pg. 23),(8.8.1.1.) A comprehensive study of the Conejos Formation/aquifer and all water conduits in the SLV should be done before any new drilling occurs in Rio Grande County. The San Luis Valley is unique, and should be acknowledged in setting high standard practices (BMP) to protect the citizens who live here.

Form 2A-This location may not be considered high density, but in a rural community the impact of this type of industry is very impeding to the ways of life here in the San Luis Valley. The household wells that serve the residents near the proposed location, whether its a ¼ mile, ½ mile or 5 miles The QUALITY and QUANTITY OF OUR WATER NEEDS TO BE PROTECTED! The health, safety, and welfare of the citizens in Colorado as a whole should be the number one priority in enforcing the strictest regulations and/or supporting Rio Grande County Regulations; not only should the water be protected but the consumptive use these residents are accustomed to should not be impacted/diminished. If it is, what can be done to replace it? Probably nothing, so would that be considered a taking How do we get it back?

Respectfully, we urge the COGCC to support Rio Grande County, as we move forward in the San Luis valley (SLV) Aquifer Study - Rio Grande County Investigation and strongly request that you extend the process (table) a decision for the above referenced, and the Dan A Hughes application and any future applications, until this study is completed.

Thank you for consideration,

COMMENT NO. 7

Public (04/26/2012; 08:12:33 AM)

Form 2#400266057

One would surmise that in view of the critical nature of attempting to drill a hole through a water aquifer one would take every precaution to do it right. If the precise depth and location of the aquifer is in question then perhaps logic tells us to find out more about these important facts before drilling commences. Mark Weems, the COGCC Engineer in charge of this permit seemed to agree when videotaped in front of a group of concerned citizens but when the spotlight is turned off his actions are contrary to good engineering practice.

Mr. Weems promised to investigate the depth of the aquifer before drilling began but yet has failed to deliver on his promise. On the Application for Permit, cement is designated to a depth of 1200 feet when more like 4050 feet would be the requirement for an aquifer at a 4000 foot location.

This borders on criminal negligence.

Are the folks at COGCC willing to bear this responsibility? If not then we ask for a geologic study and a re-evaluation of these engineering decisions.

Sincerely, KD Bellar719 580 1838.

COMMENT NO. 8

Public (04/25/2012; 02:51:44 PM)

Form 2#400266057

To: Members of the Permitting Review Staff

We wish to submit urgent concerns regarding the APD (Document Number 400266057) filed for Rio Grande County, which is currently under your consideration. There are significant factors associated with potential fossil fuel development on this site that raise serious concerns of risks to public health and safety and the environment in the surrounding area. The proposed exploration site lies in close proximity to the Jynifer well drilled in 1985. That well was abandoned without clean up or reclamation.

For the following reasons, we feel that granting a drilling permit in this location is unwise and unwarranted:

- *An unsecured wellhead remains at the site
- *There are 3 unsecured tanks on the site containing and leaking crude oil
- * Soil surrounding the drill site is contaminated by petrochemical components and drilling products
- *An open unlined pit is located at the site
- *There is no fencing securing this former drill site
- *There is no signage posted to warn of the dangers of the open pit, contents remaining in the abandoned tanks, or spilled petroleum products contaminating the surface.

Untold damage has been done to the environment in and around the drilling site. All of the conditions stated above are in violation of current COGCC regulations and, MOST IMPORTANTLY, the extent to which surface and ground waters have been polluted has not been studied or documented. If seepage from the old well has penetrated into the ground water, there is the grave possibility that the Conejos Aquifer has been polluted. This possibility of contamination should be investigated with the most intensive diligence and testing to insure that this critical water source is safe and unsullied. This should be done prior to issuance of a permit for any exploratory activity at this site. It is also imperative that testing be done 1.) of the mechanical integrity of the abandoned well components; 2.) at the site for soil and water contamination and 3.) of the water quality of wells of residents living within a wider radius of the abandoned site.

The COGCC has known for several years ago of the conditions at this abandoned site. No action has been taken to enact clean up and no individual or parties have been held accountable for the environmental damage or its remediation. This is unacceptable for an agency charged with ensuring good drilling practices and assuring the safety of humans, wildlife and environment at all sites subjected to mineral exploitation. Long before any new drilling can take place, the former drilling site must be cleaned up to meet current best management practices and good water quality, protected.

We urge that as you review this APD, you give thoughtful and extended consideration to the issues raised above and acknowledge the inappropriateness of any energy exploration proposed at this site. Honor the

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health, safety and well being of the residents along the Old Woman's Creek and in greater Rio Grande County, as well as the vulnerability of the surrounding fragile environment, by denying the current request to drill. It would be unconscionable to do otherwise.

Thank you for your careful attention to these comments.

COMMENT NO. 9

Public (04/24/2012; 08:44:51 PM)

Form 2#400266057

With the San Luis Valley being a High Mountain Desert, WATER is very important to the San Luis Valley for agricultural and recreational puposes.WE CANNOT afford the contamination that fracking causes, our community will suffer. The State should require a water study at each proposed site and the permit placed on hold until the study is complete. Not only should environmental studies be completed before a permit is released, but a Health Impact Assessment should also be completed to assess the impacts of increased traffic in the area, strain on health services, and increased exposure to danergous chemicals. The state of Alaska requires all of these assessments to be completed before a permit to drill is given, why can't COLOADO have high standards also??? We need to protect our land, water and people. Are we so willing to give up the beauty of Colorado for a few barrels of oil/natural gas? It is time to take a stand and protect our selves! Please designate the San Luis Valley as a NO DRILLING ZONE!!!

COMMENT NO. 10

Public (04/22/2012; 05:49:51 AM)

Form 2#400266057

As residents of State of Colorado and Rio Grande County, we believe that COGCC has a duty to enforce it;s existing regulations regarding the testing and clean up of existing wells before putting local citizens at risk with approval of permit applications for new wells.Specifically the New Liberty Energy Inc application should be denied until the adjacent old Jynnifer well, of which you are aware recieves it's legaly overdue Mechanical Integrity Test, and the site cleaned up. We also believe that the Conejos Aquifer be tested for contamination. As oil and gas development comes to Rio Grande county it is imperative that we set the highest standards for protection of ground water.

COMMENT NO. 11

Public (04/18/2012; 11:25:08 AM)

Form 2#400266057

The Basin #1 site has three tanks, about 10,000 gal. each I believe, that presently contain an estimated 5000-6000 gallons of an unknown liquid. The tanks are leaking at some unknow rate and this leakage presents an unknown health and safety hazzard to the public. Since any contamination of groundwater or existing wells in the area are possible due to this leakage, a survey and BTX well testing, funded by the operator, must be completed before additional drilling is permitted, per 8.8.1.7.

A pad liner must be installed per 8.8.1.5 and secondary containment must be provided around the tanks, per 8.8.5.5.

A complaint has been filed with Rio Grande County, pertainig to these tanks as a violation of their Blight Ordinance and as a violation of the Code for the Abatement of Dangerous Buildings as the tanks fall under the definition of a structure according to this ordinance.

It is reprehensible that the COGCC has approved this permit without a complete understanding of these issues.

COMMENT NO. 12

Public (04/16/2012; 04:36:57 PM) Form 2#400266057

Please consider our other more earth friendly options of retaining energy. Options such as solar panels, more insulated homes and products that don't involve the usage of plastics and oil. Please don't indulge in drilling in the San Luis Valley.

Thank You.

COMMENT NO. 13

Public (04/13/2012; 10:11:24 AM) Form 2#400266057

The Jynnifer Mosley Well has never been cleaned up. The people of Rio Grande County and the entire San Luis Valley need to have this well tested as it may have been polluting our water for the past 20 years. I am requesting that a BTX water well test be done, at the oil company's expense. The owner, not the state or the citizens, needs to have a Mechanical Integrity Test performed on the Jynnifer Well before it is plugged.

These actions are needed BEFORE a new permit to drill is given. We MUST protect the water. Water is the life-blood of the San Luis Valley and all down river who depend on water coming from our Valley.

COMMENT NO. 14

Public (04/12/2012; 03:56:30 PM) Form 2#400266057

COGCC, Thank you for an opportunity to directly address you on the permit application at hand for thr Rio Grand County.

Mr Mosley, First Liberty Energy INC (as noted; NOT from COLORADO, Therefore not of the Local people needing jobs), Govenor Hickenlooper, COGCC, and last but not least Mr. Weems, I will supply you with the definition of the word INTEGRITY in which this comment will be based upon.

INTEGRITY

definition- State or quality of being complete, undivided, or unbroken; entirety. Unimpaired state, soundness; purity. MORAL soundness; honesty; uprightness.

As another application to drill in the Rio Grande County is now in process the very foundation as to why this drill should not be allowed a permit, will be given from grounds of unacceptable behavior.

Year 2011, COGCC representatives spoke to the Commissioners and the concerned people of the Rio Grande County, as to the process in which the COGCC and a drill for OG was applied for, how the permitting process worked and then explained the reclamation of the land back to its natural status once a drill was complete and abandoned. As said, to always be done by COGCC REGS.

As stated very clearly by another comment, there was a speaker from the area at this meeting, that explained the need to have a Study done for this area due to the Conejos formation, and clearly the concern for the water tributaries to the main water sorce of the San Luis Valley.

Mr. Weems, you agreed to speak with this gentleman during the meeting prior to any drill pass by you, and then as the last application was placed for the Huges drill in the San Francisco Creek Ranch Subdivision, I spoke personally with you about you making this contact. You said it was on my list of things to do, yet in a matter of a a couple days you passed your part of the process.

The great problem with these comment opportunities is without HEARINGS we as the people recieve NO answers as to, WHAT YOU ARE DOING... and if you followed through with what you said you would do.

Hearings for any drill in the Rio grande County is asked for.

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Our phone conversation also intailed the fact that if you said all drills are capped and returned to the original status, the natural look, referring directly by name the OLD JENNIFER WELL, you said to me, that that was a problem for this well, and it had never been completed because it was not cost effecient.

The COGCC from all records, signed by you, Mr Weems, could not make its mind up if this well was satisfactory or not as to its last process to leave in its original natural state.

Is this Ethical?

AND WE THE PEOPLE ARE SUPPOSE TO BE OK WITH THIS TYPE OF WORK ETHIC?

Absolutly NOT.

Where is the INTEGRITY?

There has never been a Mechanical INTEGRITY Test done, and this owner has the audacity to apply for a permit? Saying he paid the COGCC to complete and never making sure the completion was done is of extreme concern to the citizens surrounding a sensitive area for the Water there.

Every person in the area must have their well tested by Mosely, COGCC, to make sure there has not already been contamination from such lack of following the COGCC REGS and done for future baseline testing, to be able to be held up in a 'COURT of LAW ' .

Karen Spray has aquired a list of residents from the San Fracisco Creek Ranch Subdivision for well testing for each residential well, the Western land Services Application in Best Management Use, has stated that the wells are to have baseline testing done. This MUST also be the case For the application process here and residents should not have to fight for this but instead from the INTEGRITY of the owner of the drill and the COGCC, it should just be done.

So this leads to the integrity or lack thereof from;

- The men involved in approving applications.

- The organization making decisions, in the process.

- An owner of the FEE Titled Property, MR. Mosley, in conjunction as a neighbor to those he has put in possible jeopardy already, from a non-completed, for decades, left to no scrutiny by him or the EPA or the COGCC in completing a drill, for HIS, OIL AND GAS SITE drill.

The amount of citizens that are getting very weary of the inability of those in the Oil And Gas Industry, to do what is upright, honest and sound, is on the rise. Legislation has already given a pass on the laws that expect this Industry to do as any other common citizen must abide by in the work force, but does a man not re-evaluate his own character and integrity to keep himself in check. What has happened to Moral Uprightness of ones own self and not the need to have others express the obvious?

Just to return to a value of the Golden Rule and the common sense that once ruled this Country would be a breath of fresh air. Instead the Industry is causing air pollution and saying they did not do it....

Air quality studies must be done prior to any drill in the Rio Grande County. Done by the drill owner and COGCC without having to battle for something so simple. Is not the Government in enough trouble from law suits due to the Industry polluting the air of citizens?

Where are the sites these drillers are taking their polluted mud and water too?

Why not just do right as if you are living with it in your backyard, in your house and with your family members being damaged by the negative affects this Industry has caused?

Knowing that with the draught issues of the last year and the fortelling of another worse year for water supply, why should this Industry be able to even have the chance to use such a valuable commodity.

We can live without OG, yet water is the life sorce for not only humans, and animal life for today, but who is protecting the future generations to come?

People of concern from the OG negatives, commit to not driving one day a week and pass the challenge on, giving no excuses for drilling to continue as is... the Industry may not only stop topping out the Natural Gas sorces of which there is not a huge place for in America, but the 'top dogs' may find a big bite out of their powerful pocketbooks!

From one concerned citizen, that you have not beaten down to just give in and say who cares, do whatever...

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I am saying not now, NOT ever....NO CONTAMINATION !!!!

Do not give a pass on this permit!

COMMENT NO. 15

Public (04/10/2012; 04:59:03 PM)

Form 2#400266057

As a resident of the area who relies on well water I feel that the quality of our waters need to be protected. Before any more damage is done prior messed need to be contained and cleaned thouroughly. The proper assessments need to be completed before more damage is incurred on our great land. It would make more sense for renewable energy solutions to be brought forth.

COMMENT NO. 16

Public (04/06/2012; 03:23:21 PM)

Form 2#400266057

As a owner of property, just to the south of the proposed oil well site; I am concerned about the well water for my property. The well is a small artesian well. The water feeds out of the Twin Mountain area to the north and west. The issue is the possibility of water contamination and whether during the drilling process, there might be a change of the direction of the flow of the underground water. If my water well or any of the other water wells in the surrounding area goes dry during the drilling process of the proposed oil well; what then is the plan of action for the Colorado Oil and Gas Commission? Or does the Colorado Oil and Gas Commission not consider that possibly happening? Has the First Liberty Energy INC, taken in to consideration and studied the issue of the aquifer and the water wells in the area?

COMMENT NO. 17

Public (04/05/2012; 08:56:47 PM)

Form 2#400266057

According to the information on the COGCC site, an MIT needs to done on a shut in well every 2 years for water safety. Being that the old Jynnifer Well has never had the MIT done even after several request by the COGCC is a huge problem for the people of Rio Grande County. The Jynnifer Well is drilled right through the Conejos Aquifer, listed as volcanic on your notes, which means the aquifer might be contaminated for the last 20 years. The obvious oil spills from the three leaking tanks, and the unlined pits, that you know about, means the people in the area need a BTX water well test, not only for baseline for the new well, but also for the contamination from the Jynnifer Well. According to the COGCC notes, that I have recorded, L.G. Mosley expects the State Tax payers to clean up the site and fill in the oil saturated pits so that a small child or animal will not get trap in the polluted pits. This has not been done. The Mosley #1 Well was plugged using Bull heading Cement so even the wells that were plugged were done incorrectly according to your records. The Local geologist and Local Water engineer both agree that a study needs to be done on the Conejos Aquifer BEFORE any drilling takes place in Rio Grande County. Mark Weems has already signed off on the permit before any comments were submitted. I have him on video tape saying that he would consult with local water engineers before he would sign off on the Hughes permit, now he did the same on this permit. The Colorado Tax Payers pay your salaries, if you want to work for the oil and gas industry go ahead, but don't pretend like you have a concern for the people of Colorado that pay you, when you are just tools for the oil and gas industry. Anybody that wants to see what happened, go to the COGCC site go to Inspection/Incident, fill in 105 county code, fill in 06003 sequence code then read the notes. You can get to the same place with the GIS site then Zoom to city Del Norte and click on all the red dots for info on each well. The Jynnifer is in a cluster of 4 wells NW of Del Norte. Hurry up they may soon be gone.. And now the COGCC will give Mosley another permit,, just watch....

COMMENT NO. 18

Public (04/05/2012; 07:28:41 PM)

Form 2#400266057

As was previously stated the Jynnifer Mosley oil site was never cleaned up even after several inspections and warnings issued to Mr. Mosley by the COGCC. Mr. Mosley essentially ignored the state requirements and allowed his well to remain uncapped and without a well integrity test for decades in violation of state regulations and specific directives from the COGCC. Reserve pits were never cleaned up or covered and oil storage tanks were not drained allowing leakage onto the ground, again for decades. All of the efforts of the COGCC to get Mr. Mosley to take responsibility for the proper abandonment of the Jynnifer Mosley oil site were in vain and to this day no one, including the COGCC and the EPA has any idea if the ground surrounding the Jynnifer Mosley site and the underlying aquifer has been contaminated by these years of leakage, no tests have been done. No one has conducted water testing of adjacent domestic water supplies. All of these activities cost money. Mr. Mosley did not want to spend HIS money to comply with the state regulations and requirements for safeguarding public resources. Instead HE EXPECTED THE TAXPAYERS TO CLEAN UP HIS MESS. All of us pay for the activities of the COGCC and the EPA and when someone dumps the clean up of their exploratory "Wildcatting" activities on these agencies, we all pay dearly. Now he wants to "Wildcat" again. Why should we expect that he would behave any differently with this drilling activity than he did with the Jynnifer Mosley well? He got away with it before, why would he do anything differently now? He fooled the COGCC once, shame on him. Now is the COGCC going to let him fool them twice? Shame on you, COGCC! Don't let him do it. If you do both of you will be stealing from the taxpayers.

COMMENT NO. 19

Public (04/05/2012; 09:42:15 AM)

Form 2#400266057

We, as residents of the San Luis Valley, need to know that our water is protected. Please do not permit another drilling until a study of the aquifer is done and the prior drill site is mitigated. The Jenifer oil site abandoned in the 1980's is close to a water supply and has not been cleaned up. This corporate practice is not a beneficial precedence to set for anyone. Companies need to be held responsible to clean up after drilling and all profits are made.

COMMENT NO. 20

Public Room (04/26/2012; 01:52:13 PM)

Form 2A#400266092

received by COGCC via e-mail 4/26/2012:

As a landowner and resident near the currently abandoned Jennifer well site I'm deeply disturbed by the proposed re-opening of this site to drilling and the fact that the site, abandoned in the 80's, has never been properly cleaned up or secured. There are valves still leaking oil as well as large areas of oil spill around the tanks. An attempt has recently been made to push dirt over these spills to hide them but not remove contaminated soil. There are a number of deep pits into which animals or humans could fall and be trapped. The site is adjacent to Old Woman Creek, a seasonal creek but which always flows underground as shown by cottonwoods growing along it. This drainage, likely contaminated by this well site, drains into the Rio Grande about a mile south. Living nearby I'm concerned about the noise, air, and water pollution that that new drilling in this area will generate, particularly water contamination for the many wells in the neighborhood. Considering the slack practices and negligence we have already witnessed by the owner and driller, we can only fear more of the same if future drilling occurs.

Before any future drilling it would be wise to determine how much contamination to the local aquifer may occur as well as to the creek drainage. Stricter guidelines about depth and type of cement casing need also be in place. This is now a residential area - it was not at the time of the original activity. Noise, traffic and air quality will be highly impacted for all of us.

Thank you for your consideration of these issues which will also be issues involved in the San Francisco Creek drainage as well.

COMMENT NO. 21

Public Room (04/05/2012; 07:31:51 AM)

Form 2A#400266092

As was previously stated the Jynniifer Mosley oil site was never cleaned up even after several inspections and warnings issued to Mr. Mosley by the COGCC. Mr. Mosley essentially ignored the state requirements and allowed his well to remain uncapped and without a well integrity test for decades in violation of state regulations and specific directives from the COGCC. Reserve pits were never cleaned up or covered and oil storage tanks were not drained allowing leakage onto the ground, again for decades. All of the efforts of the COGCC to get Mr. Mosley to take responsibility for the proper abandonment of the Jynniifer Mosley oil site were in vain and to this day no one, including the COGCC and the EPA has any idea if the ground surrounding the Jynniifer Mosley site and the underlying aquifer has been contaminated by these years of leakage, no tests have been done. No one has conducted water testing of adjacent domestic water supplies. All of these activities cost money. Mr. Mosley did not want to spend HIS money to comply with the state regulations and requirements for safeguarding public resources. Instead HE EXPECTED THE TAXPAYERS TO CLEAN UP HIS MESS. All of us pay for the activities of the COGCC and the EPA and when someone dumps the clean up of their exploratory "Wildcatting" activities on these agencies, we all pay dearly. Now he wants to "Wildcat" again. Why should we expect that he would behave any differently with this drilling activity than he did with the Jynniifer Mosley well? He got away with it before, why would he do anything differently now? He fooled the COGCC once, shame on him. Now is the COGCC going to let him fool them twice? Shame on you, COGCC! Don't let him do it. If you do both of you will be stealing from the taxpayers.

**Attachment C- Table Summarizing COGCC's Response to Public and LGD Comments; First Liberty Energy, Basin #1 Pad, Rio Grande County;
Form 2#400266057; Form 2A#400266092**

Summary of Issue	Number of References Within Comments	Public Comment Number(s)	Applicable Rule Citation(s)	Applicable COA(s)	COGCC Response
Jynnifer #1 Well and Reclamation - Concerns about permitting a new well near an abandoned well not plugged or remediated	15	1, 3, 5, 6, 8, 10, 11, 13, 14, 15, 17, 18, 19, 20, 21	1003; 1004	SS9, SS10	<p>COGCC conducted plugging and abandonment activities at the Jynnifer #1 Well from June 12 to 18, 2012. COGCC collected soil samples from the previous pit area and around the aboveground storage tanks on May 30, 2012. Based on the analytical results, the surface owner is currently conducting remediation (soil excavation and disposal, tank removal) and reclamation (backfilling, re-grading, and stormwater BMPs) activities at this site under COGCC guidance.</p> <p>COGCC Rules 1003 and 1004 set requirements for interim and final reclamation of oil and gas locations. COGCC is requiring the applicant to begin interim reclamation immediately after well completion if pits are used. Interim reclamation includes pit closure, reducing the size of the oil and gas location, revegetation and continued maintenance to prevent erosion, chemical or produced oil and water releases, and weed infestation.</p>
General Water Quality - General and non-specific concerns regarding water quality and this drilling operation as a potential threat to water quality.	12	1, 2, 3, 5, 6, 8, 10, 11, 14, 16, 18, 21	317; 319; 324A; 906; 909; 910	CGW1, SS3, SS4, SS5	COGCC drilling Rules (317) provide mandatory guidance on well installation and surface casing installation such that groundwater aquifers are protected. In this case, the COGCC Engineer's review of the drilling program resulted in a Condition of Approval (COA) that ensures that the well bore will have sufficient cement coverage through the potable aquifer zones. Additionally, COGCC has Rules in place to prevent adverse impacts to air, water and soil, including incorporation by reference of the Water Quality Control Commission water quality standards for waters of the state.
Water Allocation - lack of available water for drilling and completion	6	1, 3, 4, 9, 13, 14			<p>Water is a valuable and oftentimes scarce resource in our state but several sources of water are available for hydraulic fracturing in Colorado. Because Colorado's water rights system is based in the prior appropriation doctrine, water cannot be simply diverted from a stream/reservoir or pumped out of the ground for hydraulic fracturing without reconciling that diversion with the prior appropriation system. Like any other residential or industrial water user, companies that hydraulically fracture oil and gas wells must adhere to Colorado water laws when obtaining and using specific sources of water for this purpose. The Colorado Division of Water Resources and associated water districts and courts are responsible for administration and enforcement of water rights issues. See the document available on the COGCC library pages for more information on this topic (Water Sources and Demand for the Hydraulic Fracturing of Oil and Gas Wells in Colorado from 2010 through 2015 (01/19/2012)).</p> <p>COGCC staff recognizes there may be undocumented water wells in all areas of the state. We strongly urge owners of undocumented water wells to file for permits with the Division of Water Resources. However the proper documentation and permitting of existing water wells is solely the responsibility of the owner of a given water well and not an oil and gas operator or the COGCC. The owners of any unregistered water wells are responsible for the permitting, maintenance and operation of their own wells.</p>

**Attachment C- Table Summarizing COGCC's Response to Public and LGD Comments; First Liberty Energy, Basin #1 Pad, Rio Grande County;
Form 2#400266057; Form 2A#400266092**

Summary of Issue	Number of References Within Comments	Public Comment Number(s)	Applicable Rule Citation(s)	Applicable COA(s)	COGCC Response
Well Casing Design and Groundwater Protection - Sensitive Area Determination and drinking water protection	6	1, 3, 4, 6, 7, 17	317; 324A; 901; 906; 909; 910	CGW1, SS3, SS4, SS5	<p>COGCC drilling Rules (317) provide mandatory guidance on well installation and surface casing installation such that groundwater aquifers are protected. In this case, the COGCC Engineer's review of the drilling program resulted in a COA that ensures that the well bore will have sufficient cement coverage through the potable aquifer zones. COGCC has determined the proposed location may be in a sensitive area. COGCC Waste Management Rules (900 series) require that operations in sensitive areas are conducted in a manner that is protective of water resources and ensure compliance with concentrations in COGCC Table 910-1 and Water Quality Control Commission standards. The applicant has indicated that a closed loop system will be used for drilling operations; however COGCC has applied COAs requiring that any pits, if constructed, must be lined and will require an approved Form 15, Earthen Pit Permit by COGCC prior to construction and use, generating an additional level of review specific to a pit.</p> <p>A formal Sensitive Area Determination is made in accordance to COGCC Rule 901.e. which requires site-specific hydrogeologic data be collected. In lieu of requiring the collection of this data, COGCC staff has determined that the location may be in a sensitive area and is requiring operations be conducted accordingly.</p>
Hydrogeology and Aquifer Study - San Luis Valley (SLV) Aquifer Study/ Rio Grande County Investigation should be completed prior to issuance of permit	6	1, 3, 6, 9, 14, 19	303.d.; 317; 324A; 341	CGW1, SS3, SS4, SS5, SS6	<p>COGCC engineering and environmental staff does not conclude that a regional groundwater study is necessary before issuance of the oil and gas permits in question. COGCC staff routinely evaluates water well records and oil and gas well logs to gain a better understanding of local hydrologic conditions in the immediate area surrounding application(s) for permit to drill. Both water well records and oil and gas well logs have much more detailed information on local conditions than can be found in regional synthesis studies. However, COGCC staff does utilize published regional studies such as USGS studies and Colorado Geological Survey publications to gain a better understanding of regional stratigraphy and regional hydrology.</p> <p>Rule 324A prohibits both significant adverse impacts to state waters and violations of state water quality standards and classifications. This prohibition is supplemented by Rule 341, which requires stimulation fluids to be confined to the objective formations during treatment, and by Rule 317, which mandates well construction, casing and cementing practices. Rule 303.d. provides for a review of the hydrogeologic setting during review of the Form 2A with the application of COAs including baseline and post-completions water sampling. COGCC staff have knowledge and experience with the hydrogeology of the area and have incorporated that information during the review process. If the results of the San Luis Valley (SLV) Aquifer Study/ Rio Grande County Investigation indicate deeper potable aquifer zones in the area, then changes to the well design may be implemented. In addition, COGCC has required groundwater sampling of four (4) domestic water wells within ½-mile of the proposed well pad within three (3) separate aquifer zones; shallow alluvial at approximately 120 feet below ground surface (bgs), first bedrock at approximately 400 to 500 feet bgs, and second bedrock at approximately 850 feet bgs.</p>
Air Quality - dust and emissions	4	4, 5, 14, 20	324A; 805	SS9	COGCC Rule 324A prohibits degradation of the environment. Rule 32A.c. prohibits violation of any local, state or federal air quality law or permit. Rule 805 prohibits oil and gas equipment that emits greater than 5 tons / year from being closer than ¼ mile to a building unit (including schools, offices, and houses). Fugitive dust will be controlled per Rule 805.c. and the applicable COA.

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Wildlife - Sensitive Wildlife Habitat (SWH)	1	5	306.c.; 1201; 1202; 1203; 1204; 1205	WR1, WR7, R15	COGCC Rule 306.c. provides for consultation with Colorado Parks and Wildlife (CPW). COGCC Rule 1201 requires that CPW consult with the COGCC, the applicant, and the surface owner as necessary for oil and gas locations proposed in areas designated to be either sensitive wildlife habitat or restricted surface occupancy. The COGCC, CPW, Rio Grande County, and First Liberty Energy participated in onsite consultations on April 23, 2012. CPW took the lead in creating a wildlife friendly seed mix to be used for reclamation. In addition, this mix can be used on the abandoned Jynnifer #1 well location to the west that is adjacent to the Basin #1 Pad. In addition, if a closed loop or pitless drilling system is not used the applicant will fence and net the reserve pits to exclude wildlife, including big game, birds, and bats.
Alternatives to Oil and Gas - use of solar, insulation, use less plastics and oil	1	12			Under the Oil and Gas Conservation Act, the Commission's mission is to: Foster the responsible, balanced development, production, and utilization of oil and gas in a manner consistent with protection of public health, safety, and welfare, including protection of the environment and wildlife resources. C.R.S. 34-60-102(1)(a)(I). Responsible development results in: 1) the efficient exploration and production of oil and gas resources in a manner consistent with the protection of public health, safety and welfare; 2) the prevention of waste; 3) the protection of mineral owners' correlative rights; 4) the prevention and mitigation of adverse impacts to the environment and wildlife. The COGCC seeks to serve, solicit participation from, and maintain working relationships with all those having an interest in Colorado's oil and gas natural resources.